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FM AMEMBASSY NEW DELHI
TO RUEHC/SECSTATE WASHDC IMMEDIATE 2057
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C O N F I D E N T I A L SECTION 01 OF 02 NEW DELHI 002230

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E.O. 12958: DECL: 03/30/2016
TAGS: [PREL](#) [PINR](#) [ETRD](#) [EAIR](#) [IN](#) [CH](#) [TW](#)
SUBJECT: TAIWAN-INDIA RELATIONS LOOKING UP, BUT TRYING TO
AVOID ANNOYING BEIJING (C-AL6-00293)

REF: A. STATE 47515

[1](#)B. NEW DELHI 1174

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Classified By: PolCouns Geoff Pyatt for Reasons 1.4(B, D)

[1](#)1. (C/NF) Summary: Indian Government officials maintain that China has not protested India-Taiwan ties or the establishment of the Taiwan-India Cooperation Council (TICC). New Delhi perceives that its economic future lies in the success of its "Look East" objectives, and Taiwan beckons as a democratic source of stable high-technology investment for India and as a partner in trade. End Summary.

ACTIVE DIPLOMATIC INTERACTIONS, BUT NOT AT THE TOP

[1](#)2. (C/NF) MEA Joint Secretary (East Asia) Ashok Kantha told PolCouns and Poloff on March 28 that business delegations make up the bulk of the "active" India-Taiwan interactions, although the Director-General (Asia) of Taiwan's "foreign ministry" will visit New Delhi in the first week of April. Kantha will return the visit in late April, he told us, as part of the ongoing bilateral foreign office consultations. India is comfortable exchanging visits up to the Vice Minister level, Kantha said, but will not consider Ministerial visits to prevent Taiwan from becoming "an

irritant in our relations with China."

CHINA IS COMFORTABLE WITH INDIA'S ENGAGEMENT

13. (C/NF) Kantha said that China "actively briefs" India about its relations with Taiwan, and in return New Delhi takes care to be "transparent" in its dealings with Taipei. "They seem to appreciate it," Kantha commented, adding that State Councillor Tang Jiaxuang called on Indian Foreign Secretary Shyam Saran in mid-March to brief him on China's

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relations in the region, including with Taiwan. Kantha did not comment directly on Chinese attitudes toward the TICC, but assured us that China has no objections to India's current level of engagement with Taiwan.

ECONOMIC LINKS READY TO BLOSSOM

14. (C/NF) New Delhi is actively encouraging Taiwanese investment in the information technology sector, Kantha reported. India sees the amount of Taiwanese investment in China and would like to draw some of that to Indian enterprises, boosting India's economy while allowing Taiwanese investors an opportunity to diversify, he explained. Taiwan's "Go South" policy of building linkages to South and Southeast Asia aligns conveniently with New Delhi's "Look East" policy, which aims to expand India's strategic and economic ties with Southeast and East Asian countries, to help balance its consuming focus on Pakistan, China, and other neighbors (Ref B). Kantha commented that Taiwanese IT investment in India should be "just the beginning of the process," but strong growth from the current USD 2.5 billion in annual bilateral trade "will take some time." This will be helped by what Kantha described as a

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significant upgrading of aviation relations, with Air India securing fifth freedom rights beyond Taipei.
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